

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT

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COUNTRY East Germany

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SUBJECT Planned 1954 Profits of Enterprises under the
Ministry of Machine Construction

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(LISTED BELOW)DATE OF
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1. The appended table lists the planned 1954 profits of all enterprises under the East German Ministry for Machine Construction broken down by Main Administrations. Profits are the difference between sales (Warenproduktion) on the one hand and costs and production taxes (Produktionsabgaben) on the other hand. The production tax is the tax on turnover (Umsatzsteuer) which amount to 3% of the turnover (Gewerbesteuer) which amounts to about 4% of the turnover. The turnover is the total production sales. Corporation taxes (Koerperschaftssteuer) and Director Funds I and II are not included in the production taxes but constitute part of the profit. The corporation tax amounts to 65% of the profit and the two Director Funds to 4% of the total of wages and salaries paid. 25X1

2. The planned 1954 profits listed below are in real money values (not in constant values) and are listed in millions of DME:

Main AdministrationsPlanned 1954 Profits

Heavy Industrial Equipment	104
Chemical, Ceramic & Food Industries	36
Polygraphic & Textile Industries	3
Machine Tool Construction	45
Foundries	10
Boiler & Turbine Construction	38
Power & Work Machine Construction	42
Electrical Machine Construction	24
Ship Construction	22
Automobile & Tractor Construction	215
Locomotive & Railroad Car Construction	81
Agricultural Machine Construction	15
RFV	123
Precision Instruments & Optics	84
Cable & Apparatus Construction	195
Light Machine Construction	108
Iron, Sheet Metal & Metal Products	40
TOTAL	1,187

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3. The total of planned 1954 profits according to the above table would be expected to amount to around 1,180 million DME. It can be stated, however, that this total will not be reached. As of 31 August 1954, the total profits made by all enterprises under the Ministry for Machine Construction amounted to approximately 534 million DME, as was established by a preliminary calculation of profits in the Finance Department of the Ministry. It is to be expected that the 1954 total will be considerably short of the planned goal and will not exceed 900 million DME.

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